

**SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
JUNE 22, 2017.**

The meeting of the San Bernardino County Airports Commission was called to order at 10:00 a.m. by Commissioner William Smith. Meeting location: Department of Airports, 777 E. Rialto Ave. San Bernardino, Ca 92415.

Commission Members Present:

William Smith
Jim Bagley
Ray Marquez
Roy Cox
Mark Taylor

Commission Members Absent:

Bob Cable
Larry Asmus

Staff Present:

James E. Jenkins, Director of Airports
Terry Stover, Assistant Director
Cyle Woodruff, Operations Manager
Nicole Leyden, Secretary I
Gailyn Watson, Secretary I
Agnes Cheng, Deputy County Council
Steve Mintle

Department of Airports
Department of Airports
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Department of Airports
Department of Airports
County Council
Real Estate Services

Visitors Present:

Deana Olivares-Lambert
Steve Lambert
Bob Velker
Doug Crowther
Rebecca Orcutt
Terry Hansen

The 20/20 Network
The 20/20 Network
Chino Development League
Threshold Aviation
Visitor
USMC

Pledge of Allegiance

Led by Commissioner Smith.

Report on Posting of Agenda:

Mr. Jenkins stated that the agenda had been posted.

Awards, Guest Introductions and Announcements:

Guests introduced themselves.

Mr. Jenkins announced that Mr. Stover is officially retiring and that this is his last week of work. He also announced that Mr. Woodruff has been promoted to Apple Valley Airport Manager. He will have office hours at Apple Valley Airport and Chino Airport beginning next week. He will be in Apple Valley for 3 or more days a week and in Chino the rest of the week.

Action Item - Approval of Commission Meeting Minutes

A motion was carried by Commissioner Taylor, seconded by Commissioner Marquez and passed to approve the commission meeting minutes from May 25, 2017.

Commissioner Reports/Comments

Commissioner Taylor asked if we could get a compass rose painted at Apple Valley Airport.

Mr. Stover replied that there were discussions about the proximity of the runway lighting. Also the area that it was painted before could possibly interfere with a magnetic compass. He said that there is room for one at the fuel farm and on the south side of the airport.

Mr. Jenkins added that there would probably be less impact if it was put on the south end of the airport because we are planning on installing a wash rack by the fuel tanks.

He said that we will discuss the location and make a recommendation. Mr. Woodruff will then contact the San Gabriel Valley 99's to have them paint it once it's pinned.

The commissioners wished Mr. Stover a happy retirement.

Public Comments

Mr. Velker informed us that Jeff Aryan, a Chino Airport tenant who had attended commission meetings in the past, had passed away last week.

Information Item: LSE 17 Update Briefing, Terry Hansen

Terry Hansen showed a Power-Point presentation. He said that they have the airspace to support the USMC exercise in August. It will be from August 7-28, but they do not know the dates that they will activate the special use airspace because they have to determine when they will have the units available. The NOTAM is effective today with all the dates and the language was changed also to make it easier for pilots to understand. They will be utilizing the Johnson Valley area for aircraft as well as troop movement. An application has been submitted to the FAA to do another exercise in December, but it was turned down so they are re-negotiating with the FAA. They may have to do this exercise twice a year, if they don't then they will go back to their once a year exercise and will do it in the February time frame. They will do a notification and outreach effort at that time and will continue to do so until they get permanent airspace. The purpose of the outreach effort is public education, finding out where the issues and concerns were, addressing them and coming up with a plan that would minimize the impact on the national airspace system and allow the USMC to meet their mission requirements.

Information Item: Presentation by Terry Stover

Mr. Stover gave a brief history on himself and unveiled a secret project. He started in 1981 working as a Maintenance Worker I at Chino Airport. One day he was assigned along with a co-worker to the H-Building (the manager's office at the time) to move the contents of this room to another area. They discovered that the boxes were full of left-over military items from the 1940's and were artifacts from a mobile hospital. Mr. Stover gathered a few items and took them home. Mr. Stover presented to Mr. Jenkins and the Department of Airports a display case with some of the artifacts. The case contained a canteen from 1944, a 1941 pocket bible issued to a G.I., a Lucky Strike Cigarette pack, a bedside water pitcher, a glass syringe (with no needle), and a 1945 first aid book. He also included a model P-40 Warhawk aircraft, which the pilots were trained to fly in WWII.

Mr. Stover also presented a picture of Chino Airport from the 1960's. Twentieth Century Fox took a photo of Chino Airport for the television series Twelve O'Clock High and the picture was given to Dan Groves, a previous airport manager.

Mr. Jenkins said that we will give the picture to the museum to have them preserve it, then make a copy for Chino Airport and hang the original at the administration office.

Mr. Jenkins shared his experience of his first days working with the department and how he met Mr. Stover and was very impressed by his work ethics. He continued to say that Mr. Stover has been very helpful and supportive. They saw things that needed to be done and when they promoted to management they were able to accomplish some of those things.

Director's Reports**Capital Improvement Program**

Mr. Woodruff informed us that the compressor project at the Commercial Hangar Complex at Chino Airport has been awarded and the compressor is ready for installation. The contractor will be scheduling the installation soon.

We are still moving forward with the Kimball Ave conveyance and are working with the city on the traffic plan. Due to the curve in Kimball Ave. there was a concern with the speed of traffic coming through that construction zone.

We are also moving forward on the northwest apron project with the FAA grant funds. We are waiting on the results of the Disadvantaged Business Enterprise audit. Once that is complete we will go to the Board of Supervisors to get approval to make a bid.

There are several projects planned for Apple Valley Airport which include a wash rack, the terminal building parking lot, and widening of the taxi lane just north of Midfield. There is also the runway project, but it is a couple years away because we are seeking grant funding for it.

Mr. Jenkins informed us that he, Mr. Woodruff, County Counsel, and a few others met with the City of Chino to discuss the dedications of property around the perimeter of Chino Airport. He pointed out that this item might get some public comment. There is a developer working on a project east of the airport who's building an industrial complex and they require quite a bit of dedication to install a turning lane. Also required is a turning lane on Kimball Ave. at Hwy 83. For one of these they need property from the airport and the other they would like to acquire property from the airport to save money. If we agree to let the developer have the property it would be at a revocable fee because we cannot give airport property to private entities for uses other than ones that would benefit the airport. Mr. Jenkins believes that these are dedications that need to go to the City of Chino instead of a developer and the developer should not be requesting them from us. This was a way that the city was trying to foster the project along getting it to move quickly. We decided that we would make the dedications to the City of Chino because the FAA will allow us to dedicate property for purposes of public improvement and facilitation of development to the airport. We met with the City of Chino to determine the entirety of the dedications required for the entire perimeter of the airport for all improvements including curb, gutter, landscape easement, sidewalks, street lighting, etc. The city will now consult their contract engineer to define the limits of the dedications.

Board of Supervisors Activity

Mr. Jenkins briefed us on the Board of Supervisors activity. He explained that there was an amendment to a Memorandum of Understanding with County Service Area 70. This is the Special District's unit that does water and sewer maintenance, repairs and monitoring. We currently have a Memorandum of Understanding with them for monitoring the sewer line at Chino Airport. This was a review of that item, but it was pulled from consideration because the Special Districts unit did not get the contracts reviewed by their department, so this will go back to the Board of Supervisors on June 27th.

Mr. Jenkins provided information on the other board item which was the extension of current contracts with our on-call engineering group. This extends the contract by one year and if we are satisfied with them then next year we will extend another year. Next year we will plan to begin the process of procurement for additional on-call engineers for the following year. This is so we will have on-call engineers to reach to when we need to respond to timely requests from the FAA to be able to accept grants and monies. Sometimes we have projects that we are ready to get started with and other times we have to quickly develop a project to be able to accept monies, which on-call engineers assist with.

Real Estate

Mr. Jenkins said that we have learned that Mooney is closing their doors at Chino Airport and moving their operations to Texas. They have been quietly making inquiries about how they can go about buying out or negotiating with us a settlement on Commercial Hangars #1 and #2. We gave them the guidelines on what that means and how that's accomplished and information on a lease buy-out. Since it will be very costly for them we expect that they will make a proposal to buy out their lease. We believe that they are likely to be gone within 60 days. We have a subtenant in place for Commercial Hangar #1 and #2. We are unsure if that tenant would be able to move forward on a lease agreement or an assignment. Right now they have a month to month operation with another tenant in Commercial Hangar #2 which is bringing in some cash flow. They have a tenant in a sub tenancy position in Commercial Hangar #1, in which we know that they are there from public records, but we've asked them to demonstrate how it is that they believe that that tenant has a right to be there. We are monitoring the situation closely and we hold Mooney to be responsible for their lease agreements.

Mr. Mintle stated that he is working with Bob Velker and Celso Palofox with the parcel B305 lease development. Their proposal has been approved and we are working with them on moving that item forward in the near future.

Mr. Mintle explained that the Department of Airports have a lease that's coming due on December 31, which is a ground lease for port-a-ports at Chino Airport. It is a 20 year deal that will be coming back to the county. We have given notice to the tenants that we are not going to renew the ground lease, but will be taking back that 3.2 acres, 62 units. We will be moving forward on executing lease agreements or use permits with each individual tenant who meets the requirements.

Mr. Mintle shared that a broker representing Walmart facilities across the street from Chino Airport has reached out to Directors, Mr. Thompson and Mr. Jenkins requesting 5 acres for employee parking during September and December. Mr. Jenkins provided 5 acres to utilize under a use permit. Mr. Mintle sent the broker an exhibit and the broker is meeting with the City of Chino to determine if that is something that would be viable for them.

Mr. Mintle stated that R&R Properties had a meeting with the City of Chino and are trying to move forward on the development on Kimball Ave. We indicated to them that they would have to be there by January or show efforts of their relocating by then. It seems that they are making significant progress with the City of Chino so it looks as though it might be resolved in the near future.

Mr. Woodruff shared that 2 representatives from Amazon came by the Chino Airport office saying that they were looking for 40 parking spaces for vans or box trucks. As Walmart was looking for something short-term Amazon was looking for something more long-term, although they did not have any specific dates to provide.

Financial Report

Mr. Jenkins informed us that we are at 88% of the year, our expenditures are at 73% and we have earned more revenue than we had projected. This is due to us receiving payments from tenants who we didn't expect would pay. We will be sending some significant money back to reserves. We are positioning ourselves to be able to continue to fund the Chino Plume. Mr. Jenkins said that he briefed the interim CEO on the matter and it was agreed that at some point in the future this financial responsibility for managing this effort will leave our department and be a general fund obligation. This will most likely happen over the next 3 years. In 3 years we expect to have a remedy in place. We are managing the plume by pumping and treating the contamination that is in the ground water. Our feasibility analysis associated with the plume has been accepted by the State Water Board. They agree with our recommended path to

making the ground water in the basin whole as related to what we contributed to organic concentrates in the ground water from the operations at Chino Airport. We will be pumping the water out and extracting the contaminants and then redelivering the water to several different locations.

Mr. Jenkins said that Apple Valley and Chino Airport are at where we expect them to be financially and the other airports don't make much revenue. Needles Airport is so far out of bounds as we are having to deal with the microburst storm damage there. Based on a recent inquiry from Risk Management it looks like we will be getting some of that money back.

Baker Airport has expended 39% of its expected expenses and doesn't earn any revenue. Mr. Jenkins pointed out that at one point we showed in the budget the revenue that we earned from an annual state grant. It is a \$10,000 grant which we use for paying insurance. We no longer show that as income and it is just part of our roll-up as our ongoing operational cost and ongoing operational revenue received.

Barstow-Daggett Airport is at 67% of their expenses and 80% of their revenue. It is a bit down on revenue because we expected to have a bit more revenue associate with use permits this year. We expected to host one of the Army's annual exercises. There were a few issues with process control and the authority to execute documents. We understand who needs to execute our documents, but the Army has a bit of difficulty understanding who in their chain of command can execute, which is the Corp of Engineers. They believe that their commanding officers can execute them and we have had to educate them. By the time they get confirmation of this they do not have enough time to do so. As a result, we have not been able to take advantage of those revenue opportunities. We have been given great latitude in presenting an item to the Board of Supervisors off calendar and off the normal schedule by the County Administrator's office. They will allow us to present an item to the Board at any time if we have an opportunity to earn revenue. The entire team associated with that process, including the County Administrative Finance Team and County Counsel, all support us in that regard.

Monthly Reports

Mr. Stover shared that he and Cyle attended the FAA's 8th Conference. The FAA was hosting conferences on a regular basis several years ago, but due to budget constraints and other internal issues they discontinued. They finally started again this year. They had a lot of seminars which are all conducted by FAA employees. He and Mr. Woodruff attended a great session on markings on your airport which included taxiway lines, runway lines and numbers, etc. They also attended a hangar use policy session, which is good for us since we have begun hangar inspections.

Mr. Woodruff agreed that it was a really good conference. It was nice to see the FAA get together and hosting a conference again especially being local in the pacific western region and at no cost. What he found interesting was the transportation director's reports from all the different regions in the pacific western region. Hearing from Guam International Airport Authority, the Republic Marshall Islands, America Samoa Airport Authority and Airports out on these remote islands in the pacific that you never think about and they are dealing with FAA trying to get grants and trying to do improvements just as we are. Then there is the Navajo Nation and Hopi Tribe also dealing with the FAA. Mr. Woodruff said that it was interesting to hear their reports and what kind of projects they are working on.

Mr. Stover also informed us about Needles Airport. We have been trying to take care of some of the basic issues from the results of the storm. We were contacted by Risk Management last week and they informed us that we will receive some insurance money. Mr. Stover last reported to the commission that we were acquiring bids to replace the roof on Hangar B300. We got the bids and went through the process and have been approved to purchase some materials. Staff will be out there next week to put the material on the roof. They will split their work day due to the heat. They will work early hours of the morning for 3 or 4 hours then return in the evening

when it cools down. The tenant who was in that hangar has vacated due to the roof damage, so we need to repair it right away because this is a loss of revenue for Paradise Aviation.

Mr. Woodruff shared some of his monthly report. He has been attending multiple meetings for the Apple Valley Airshow since he will be the new airshow coordinator.

He has also been meeting with some FAA representatives from the Runway Safety Action Team. We have a mid-year local runway safety action team meeting scheduled for next month. This was prompted by the FAA due to Chino Airport experiencing a significant number of runway incursions and wrong runway landings. The FAA is encouraging the public to attend including maintenance shops and flight schools, all airport users and piloting community to make any comments and suggestions regarding hot spots and low visibility areas. The meeting will be at the Yanks Air Museum on July 12th at 9 a.m.

Chino Airport Operations

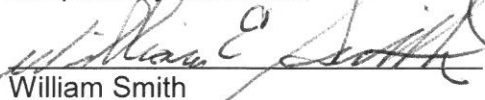
Mr. Jenkins explained that we have the operational numbers through April and they are trending slightly upward. We should have the numbers for May by the end of this month, which he believes will be about 15,000. We may get 180,000 this year if the trending continues which is cyclic but somewhat flat. The tenant mentioned earlier, who is operating in Commercial Hangar #1, is a flight school and they have the potential for bringing about 7,000 additional operations annually. There are many issues that we need to understand before we can embrace that flight school coming to Chino Airport, though. Ramp parking is a major issue where they are located. They are resistant to housing the aircraft in the hangar that they have and they continue to want to use ramp space that they don't have a right to. We've given them options on ramp space, but it hasn't worked out. Even before they are there officially we have some problems. If we can we will find a place for them and a way for them to operate as they will boost the operational count and potentially boost fuel sales.

Date, Time and Place of Next Meeting


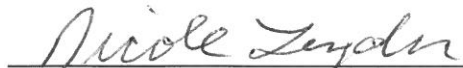
The next meeting will be held on Thursday, August 24, 2017 at 10:00 a.m. at Department of Airports, 777 E. Rialto Ave. San Bernardino, Ca 92415

Adjournment: Meeting adjourned by Commissioner Smith at 11:20 a.m.

Respectfully submitted,



William Smith
Airports Commission


James E. Jenkins, Director
Department of Airports

Nicole Leyden, Secretary I
Department of Airports